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IN THE

Supreme Court of the United States

OCTOBER TERM, 1964.

No. 340

IN-SINK-ERATOR MANUFACTURING COMPANY,
Petitioner,

vs.

WASTE KING CORPORATION,
Respondent.

PETITIONER'S REPLY BRIEF.

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IN-SINK-ERATOR MANUFACTURING COMPANY,
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vs.

WASTE KING CORPORATION,
Respondent.

PETITIONER'S REPLY BRIEF.

Petitioner has heretofore filed a petition for a writ of certiorari to the United States Court of Appeals for the Seventh Circuit from the judgment of that court, which, by a divided court, held, in effect, that a patent owner owning a block of patents, all relating to different parts of one and the same commercial device (electric kitchen garbage disposers), may sue a competitor successively on each of such patents.

Respondent has filed its brief in opposition to the petition for a writ of certiorari and the present brief of the petitioner is in reply thereto.

The facts involved in this matter are adequately set forth in the petition and need not be repeated here.

Hence, this reply brief will be confined to an answer to certain statements made in respondent's brief in opposition to the petition for a writ of certiorari and which are not specifically covered by the petition.

1.

RESPONDENT'S CONTENTION (RB 11-12)* THAT IT DOES NOT OWN A BLOCK OF PATENTS IN THE FIELD OF ELECTRICAL GARBAGE DISPOSERS IS COMPLETELY ERRONEOUS.

In its brief (RB 11-12) respondent seeks to avoid one of the principal contentions advanced by the petitioner in support of its petition, namely, that the respondent is in this case attempting to assert successively a block of patents which it owns on electric garbage disposers. Thus, the respondent makes the following completely erroneous statement (RB 11):

> "As to 'Questions 1 and 2' of the Petition (pp. 11-12), there is no evidence in the record here that respondent WASTE KING owns any 'block of patents'. The evidence here is merely that respondent WASTE KING is the exclusive licensee under two patents, i.e., the '143 patent involved in the California suit, and the '949 patent involved in this action. Furthermore, as pointed out above, the '949 patent had not issued when the California suit on the '143 patent was filed."

That the first sentence of the above-quoted statement is completely erroneous is shown by an agreement introduced by the petitioner in the trial court, and which was also involved in the earlier California case between the parties. This agreement was a so-called "Memorandum of Agreement" between the respondent and Given Machinery Company, a co-partnership, which was executed October 9,

* All references herein to the Respondent's Brief are designated "RB".

1959 (as of December 18, 1947) and appears in the record of this case (DA* 140-41, PX** 28). Paragraph 1 of this agreement lists sixteen (16) patents and six applications owned or controlled by the respondent as follows:

> "1. Waste King has, and during the continuance of the Prior Written Agreement shall have, the sole and exclusive right and license, and the exclusive right to grant sublicenses, under any and all Letters Patent and applications therefor owned or hereafter acquired by Given Machinery *which relate to garbage or waste disposal devices or parts thereof,**** including, but not limited to, United States Letters Patent No. 2,442,812; No. 2,536,372; No. 2,603,328; No. 2,664,247; No. 2,670,-137; No. 2,670,143; No. 2,730,308; No. 2,760,728; No. 2,760,730; No. 2,785,863; No. 2,785,864; No. 2,847,683; No. 2,851,224; No. 2,858,989; No. 2,860,836; No. 2,879,-949, and applications therefor Serial No. 337,392 (filed February 20, 1953); No. 458,564 (filed September 27, 1954); No. 576,410 (filed April 5, 1956); No. 630,631 (filed December 26, 1956); No. 698,566 (filed November 25, 1957); and No. 814,639 (filed May 20, 1959), herein referred to collectively as the 'Jordan Patents.' "

One of the patents referred to in the block of patents and applications owned or controlled by the respondent, as set forth in Paragraph 1 of the agreement, as quoted above, is patent No. 2,879,949 here in suit, which issued March 31, 1959, just one day after the filing of the complaint in the prior California action between the parties. Hence, the '949 patent here in suit could have been readily joined in that action by an amended or supplementary complaint had the respondent wished to do so.

It is thus apparent that the respondent's contention that there is no evidence of record in this case to show that it

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* All references herein to that part of the record of this case which is Defendant's Appendix are designated as "DA".

** All references to Plaintiff's Exhibits herein are designated as "PX".

*** All emphasis herein has been supplied.

"owns" a block of patents in the field of electric garbage disposers is a completely erroneous statement of fact.

Moreover, it is submitted that the ownership or control by respondent (as of October 9, 1959) of some sixteen (16) patents and six pending applications in the relatively small and narrow field of electric garbage disposers or parts thereof necessarily carries with it inherent monopolistic power in this relatively small and limited industry.

Furthermore, this petition presents issues of major significance to the commercial endeavor of the nation, far beyond the benefit of the particular litigants. The special and important reasons advanced for the issuance of the writ involve a problem far beyond the academic or the episodic. *Cf., Rice* v. *Sioux City Memorial Park Cemetery,* 349 U. S. 70, 99 L. ed. 897, 901 (1954).

What is presented to the Court by this petition is yet another form of patent misuse resulting from successive charges of infringement on patents all relating to the same commercial device. Compare, *U. S.* v. *Besser Mfg. Co.,* 96 F. Supp. 304 (ED. Mich. 1951), *aff'd.,* 343 U. S. 444, 96 L. ed. 1063 (1952); *Kobe, Inc.* v. *Dempsey Pump Co.,* 97 F. Supp. 342 (N. D. Okla. 1951), *aff'd.,* 198 F. 2d 416 (10th Cir. 1952), *cert. den.* 344 U. S. 837, 97 L. ed. 651 (1952). The purpose of the seriatim institution of infringement suits is, of course, an unjustified and "unnecessary harassment" and financial extortion of a sort which has not recently escaped the notice of this Court. See *Aro Mfg. Co., Inc.* v. *Convertible Top Replacement Co., Inc.,* 377 U. S. 476, 12 L. ed. 2d 457, 490 (1964).

While petitioner believes the sound precedent of this Court was ignored by the Court of Appeals for the Seventh Circuit, justifying the writ for that reason alone, it also asserts that the decision, if not disturbed, will permit the holders of a variety of issued patents on the

same commercial device, whether valid or not, to wreak financial havoc upon smaller competitors by the institution of successive infringement suits, the expense of which cannot be borne by the individual manufacturers so sued. See S. Rep. No. 1464, 84th Cong., 2d Sess. 5 (1956), and the early federal cases of *Harper* v. *Holman*, 84 Fed. 222, 224 (C. C. E. D. Penn., 1897); *Hayes* v. *Dayton*, 8 Fed. 702, 704 (C. C. S. D. N. Y. 1880); *Case* v. *Redfield*, 5 Fed. Cas. 258, 259 (C. C. D. Ind. 1849).

Petitioner asks equity not to sit idly by while this misuse of the patent monopoly "thwarts the public policy underlying the grant of the patent". *Morton Salt Co.* v. *G. S. Suppiger Co.*, 314 U. S. 488, 86 L. ed. 363, 366 (1942).

2.

RESPONDENT'S CONTENTION (RB 11) THAT THERE IS NO EVIDENCE IN THIS CASE THAT IT OWNED THE '143 PATENT INVOLVED IN THE PRIOR ACTIONS BETWEEN THE PARTIES OR THE '949 PATENT HERE INVOLVED IS ALSO COMPLETELY ERRONEOUS.

At RB 11 the respondent, in a further attempt to avoid a fundamental contention raised by the petition, makes the following completely erroneous statement:

> "Similarly, as to 'Question 3' of the Petition (p. 12) there is no evidence here that WASTE KING owned either the '143 or '949 patents referred to, it being merely an exclusive licensee thereunder."

However, in the Given-Waste King agreement of October 9, 1959, referred to above, namely, PX 28 (DA 140-41) the following statement appears as Paragraph 2:

> "2. Waste King has, and during the continuance of the Prior written agreement shall have, *the sole and exclusive right to institute and maintain legal actions for infringement of the Jordan Patents, or any*

of them, and to collect damages for past and future infringement thereof."

Moreover, this agreement was introduced by the respondent in the earlier California action between the parties to establish the respondent's right to bring and maintain that action without joining its licensor, Given Machinery Company, a co-partnership, and after a separate trial on this issue in the California action the position of the respondent relative thereto was upheld (Memorandum of Decision by Judge James M. Carter dated September 28, 1961 (PX 27, DA 148-156)).

Furthermore, the respondent's counterclaim for alleged infringement of the '949 patent in the action below was predicated upon the respondent's admitted ownership of an exclusive right to manufacture, sell, and use the alleged improvements of the '949 patent together with the right to bring suit thereon, which is "ownership" of all of the legal rights granted under the patent and hence is, in legal effect, ownership of the patent itself. *Waterman* v. *Mackenzie,* 138 U. S. 252; 34 L. Ed. 923; 11 S. Ct. 334.

Hence, it is apparent that the respondent's contention that there is no evidence in this case to show that it "owned" either the '143 or the '949 patent is completely erroneous.

3.

RESPONDENT ALSO ERRONEOUSLY CONTENDS (RB 11) THAT THERE IS NO EVIDENCE TO SHOW THAT THE '143 PATENT INVOLVED IN THE PRIOR ACTIONS BETWEEN THE PARTIES WAS DIRECTED TO ONLY A MINOR PART OF A COMMERCIAL DEVICE.

In a further attempt to avoid the petition respondent also erroneously contends in its brief (RB 11) that:

> "As to 'Question 4' of the Petition (p. 12), there is no evidence here that 'the specific patent there in suit (i.e., the '143 patent), was directed 'to only a minor part of a commercial device'."

That this contention of the respondent is likewise erroneous is clearly shown by a number of specimens of petitioner's alleged infringing garbage disposers, or parts thereof, which were charged with infringement of the '143 patent in the California case, and with infringement of the '949 patent in the action below, (PX 35 (DA 177); PX 36 (DA 176-177; PX 37 (DA 177); PX 38 (DA 177); PX 39 (DA 177); PX 40 (DA 176); PX 41 (DA 177); and PX 42 (DA 176)); as well as by drawings of petitioner's alleged infringing devices which were also of record in the prior California case, and in the action below, (PX 4 (DA 109 and 172); PX 7 (DA 119; PX 5 (DA 120); and PX 6 (DA 123)), and also by petitioner's 1959 brochure (PX 3, DA 97-108), all of which clearly show that the so-called splash guard of respondent's '143 patent, which was involved in the earlier California and Wisconsin cases between the parties, relates to and is directed to only a minor part of the commercial electric garbage disposers of the parties, here involved.

Hence, this argument of the respondent is likewise completely erronous and without merit.

4.

RESPONDENT IS LIKEWISE IN ERROR IN CONTENDING THAT THERE IS NO EVIDENCE IN THIS CASE TO SHOW THAT THE DECISION OF THE COURT OF APPEALS HAS WORKED ANY MANIFEST INJUSTICE ON THE PETITIONER OR THAT THE EXHIBITS IN THE CALIFORNIA CASE WERE FACTS PLEADED WITHIN THE MEANING OF THE SETTLEMENT AGREEMENT OF MARCH 29, 1962.

At RB 11-12 the respondent makes the following erroneous statement:

> "As to 'Question 5' of the Petition (pp. 12-13), there is no evidence in this record that the decision of the

> Court of Appeals worked any 'manifest injustice' on Petitioner. There is no evidence in this record that such exhibits were, in fact, 'facts pleaded' within the meaning of the Agreement of March 29, 1962 between the parties."

In response to the first part of this contention it is deemed sufficient to state that the decision of the Court of Appeals has worked a manifest injustice on the petitioner in that, among other things, it has, in effect, set aside the protection afforded the petitioner by the release provisions of Par. 3 of the settlement agreement of March 29, 1962 between the parties (PX 1, DA 124-127), upon which the petitioner relied in entering into the agreement, and in agreeing to a dismissal without prejudice of the complaint in the prior California action between the parties.

In response to the second part of this erroneous contention by the respondent, the court's attention is invited to the petition (pages 1-10) wherein it is clearly shown that the exhibits embodying or illustrating petitioner's garbage disposers now charged by the respondent to infringe the '949 patent, in suit, were among the "facts pleaded" in the Pre-Trial Conference Order in the prior California action.

Suffice it to add, in further reply to this contention by the respondent, as the District Court properly held in its decision (DA 324):

> "Since the current claim arises from elements of the same device pleaded as infringing in the California suit, it falls within the scope of the agreement barring claims 'arising from any of the facts pleaded' in that suit."

The Court of Appeals admitted in its decision that the Pre-Trial Conference Order of the California District Court was a *pleading*. But the Court held the proposed exhibits listed in that Order pursuant to Pre-Trial Con-

ference Rule 9 (j) of the Rules of the United States District Court for the Southern District of California, did not thereby become "facts pleaded" in the action. Once the Court made that negative determination it found little further difficulty in holding that the compromise settlement of the Wisconsin and California litigation was no bar to the later claim of infringement of the same commercial devices listed as exhibits in the California Pre-Trial Conference Order.

Petitioner contends that in so construing the Pre-Trial Conference Order, the Court of Appeals is in conflict with the holding of *Clark* v. *U. S.*, 13 F. R. D. 342, 344 (D. Ore. 1952), cited by Hon. A. Sherman Christenson in paper entitled "The Pre-Trial Order" given at the "Seminar on Precedures of Effective Judicial Administration" at the Southwestern Legal Center, Dallas, Texas, 29 F. R. D. 191, 362, 368 (1961), and, in particular, ignored the holding of *U. S.* v. *Hougham*, 364 U. S. 310, 5 L. ed. 2d 8, 14 (1960):

> ". . . That pretrial order, as authorized by Rule 16, conclusively established the issues of fact and law in the case and declared that the issues so established should 'supplement the pleadings and govern the course of the trial . . .' One of these supplementary issues was the Government's contention that it was entitled to recover under § 26(b)(2), rather than under § 26(b)(1) as claimed in the Second Amended Complaint. Thus the pretrial order changed the claim in that complaint from § 26(b)(1) to § 26(b)(2) insofar as the Government had the power to change its election, and pose an issue which required adjudication by the District Court. That such was the effect of the order is clear from the language of Rule 16 which provides that the court, after pretrial conference, 'shall make an order which recites . . . the amendments allowed to the pleadings . . . and such order when entered controls the subsequent course of the action, unless modified at the trial to prevent manifest ininjustice.' . . ."

The effect of the decision of the Court of Appeals that exhibits listed in a pre-trial conference order do not amount to "facts pleaded" is to virtually emasculate Rules 16 and 8(f), of the Federal Rules of Civil Procedure. Petitioner requests this Court to prevent such an erroneous and unjust result.

5.

THE CASES AND OTHER AUTHORITIES RELIED UPON BY THE RESPONDENT DO NOT SUPPORT ITS POSITION AND ARE INAPPLICABLE TO THE FACTS IN THE PRESENT CASE.

At RB 5 the respondent cites five (5) decisions of this court in an attempt to show that the questions presented in the petition were not considered in the action below.

It is deemed unnecessary to review in detail all of these cases for the reason that the record in this case clearly shows that the questions presented by the petition were considered by the court below, and particularly by the District Court.

Thus, for example, the District Court in discussing the controversy existing between the parties and as supposedly resolved by the settlement agreement of March 29, 1962 (PX 1, DA 124-27) stated, in part, as follows (DA 323):

> "Broadly summarized, these provisions reflect a mutual purpose of the parties to settle all points of controversy between them, and to allow each to continue its business as then carried on, without concern about the other's patents or other claims."
>
> • • • • •
>
> "Here this general policy is re-inforced by the specific agreement of the parties to dispose not only of the claims actually asserted in the suits but also of all claims 'arising from any of the facts pleaded', whether asserted as claims for recovery or not."

It is thus apparent that the questions presented in the petition herein were considered by the courts below, and particularly by the District Court, and that the decisions cited and relied upon by the respondent (RB 5) are inapplicable to the facts in this situation.

6.

THE DISMISSAL OF THE COMPLAINT IN THE CALIFORNIA ACTION WITHOUT PREJUDICE IN NO WAY AFFECTS OR DETRACTS FROM THE SCOPE OF THE RELEASE GRANTED THE PETITIONER AND SHOWS THAT IN AGREEING TO SUCH A DISMISSAL WITHOUT PREJUDICE THE PETITIONER RELIED UPON THE PROTECTION AFFORDED TO IT BY THE RELEASE PROVISIONS OF THE SETTLEMENT AGREEMENT OF MARCH 29, 1962 (PX 1, DA 124-27).

At RB 8 the respondent contends that since the complaint in the prior California action was dismissed without prejudice petitioner has no standing to seek relief in this court as to the '949 patent here involved.

It is respectfully submitted, however, that the dismissal of the California action without prejudice in no way affects or detracts from the scope of the release granted by the respondent to the petitioner under the settlement agreement of March 29, 1962 (PX 1, DA 124-27) and shows that in agreeing to a dismissal of the complaint in the prior California action without prejudice the petitioner relied upon the protection afforded to it by the release provisions of Par. 3 of the settlement agreement of March 29, 1962 between the parties (PX 1, DA 124-27).

This is for the reason that the petitioner would not have agreed to the dismissal of the complaint in the prior California action without prejudice had it not relied upon the belief that the scope of the release granted to the petitioner under the settlement agreement of March 29, 1962 (PX

1, DA 124) was such that the respondent could not at any time in the future assert any claim or action against the petitioner based upon any of the facts pleaded in the Pre-Trial Conference Order in the California case and which, as pointed out above, included the same commercial garbage disposers of the petitioner embodying parts now charged to infringe the '949 patent.

Hence, rather than showing that the dismissal of the complaint in the prior California action without prejudice bars the petitioner from the relief here sought, it is submitted that the dismissal of the complaint in that action without prejudice clearly shows that the petitioner relied upon the scope of the release granted under the settlement agreement of March 29, 1962 (PX 1, DA 124-27) in agreeing to dispose of the California action by dismissal without prejudice, subject to the release provisions of the settlement agreement.

Moreover, the authorities cited by the respondent in support of its contention in this regard (RB 8) have no application to the specific facts including the settlement agreement and included release here involved.

While the Court of Appeals did not apply the doctrine of *res judicata* to the agreement settling the California and Wisconsin infringement suits, District Judge Hoffman did. He thereby followed the reasoning of this Court in *Oglesby* v. *Attrill,* 105 U. S. 605, 26 L. Ed. 1186, 1188 (1882):

> "... No allegations of fraud, in addition to those made at the settlement, can prevent the compromise from having effect as a judgment thereon. It may, indeed, by a direct proceeding instituted for that purpose, be rescinded for fraud, but it cannot, any more than any other judgment, be attacked collaterally. ..."

Because the settlement agreement is to be considered as a judgment, its conclusive effect was of more weight than the Seventh Circuit accorded it. Their decision is not

square with the notion that, to prevent unnecessary litigation, a party should be required to raise all factors in its favor in the first suit, or be estopped from doing so in later related litigation. See *Developments in the Law—Res Judicata,* 65 Harv. L. Rev. 818, 841 (1952).

In permitting the respondent to charge infringement of one patent, collect $75,000 therefor, and five months later charge infringement of another patent on an item directly adjacent to the first patented item on the same garbage disposer, the Court of Appeals encouraged the splitting of an action to secure results never tolerated by this Court. *Miller* v. *The Eagle Mfg. Co.,* 151 U. S. 186, 38 L. Ed. 121, 128, 129 (1894). One bite out of the patented apple is all the holder is permitted. See, by analogy, *Aro Mfg. Co., Inc.* v. *Convertible Top Replacement Co., Inc.,* 377 U. S. 476, 12 L. Ed. 2d 457, 476 (1964):

> "... In sum, AB obtained its reward for the use of the patented structures under the terms of the agreement with Ford; CTR cannot obtain from Aro here another reward for the same use."

The antimonopoly policy of the Court expressed in the general area of combination patents, is applicable to the practices of respondent.

7.

PETITIONER'S CLAIM OF ESTOPPEL IS BASED UPON THE RELEASE PROVISIONS OF THE SETTLEMENT AGREEMENT OF MARCH 29, 1962 (PX 1, DA 124-27) AND IS FULLY ASSERTED IN COUNT II OF THE FIRST AMENDED COMPLAINT (PAR. 19, DA 3). HENCE, RESPONDENT'S ARGUMENT AS TO ESTOPPEL (RB 10) IS WITHOUT MERIT AND COMPLETELY AVOIDS PETITIONER'S POSITION.

At RB 10 respondent contends that petitioner is now precluded from asserting the defense of estoppel under the provisions of Rule 3(c) and 12(h) of the Rules of Fed-

eral Civil Procedure because (allegedly) petitioner did not assert the defense of estoppel in its First Amended Complaint in the present action.

This argument by the respondent is without merit and completely ignores the petitioner's position as to estoppel which is based upon the contention that the respondent is now estopped to assert the '949 patent against the petitioner, as the District Court correctly found (Judgment Order, DA 325-27), by reason of the release provisions of Par. 3 of the settlement agreement of March 29, 1962 (PX 1, DA 124).

Moreover, petitioner's position as to estoppel is clearly and fully pleaded in Count II of the First Amended Complaint (DA 1-6) and particularly in Par. 19 thereof, in which the petitioner stated as follows:

> "The defendant is estopped to charge the plaintiff herein with infringement of said Letters Patent No. 2,879,949 by reason of the manufacture, sale or use by the plaintiff, or its distributors, dealers or customers, of the aforesaid garbage disposer devices now being manufactured and sold by the plaintiff and which are the same garbage disposer devices which formed a part of the subject matter of said actions, and which were among the facts pleaded in said actions, by reason of the release granted to the plaintiff for any liability as to said garbage disposers under and by virtue of said agreement dated on or about March 29, 1962 between the plaintiff and the defendant herein and as consented to and as approved by the said Given Machinery Company, a co-partnership, as aforesaid;"

It is submitted, therefore, that the respondent's argument as to estoppel (RB 10) is without merit and completely ignores the petitioner's position in this regard.

8.

CONTRARY TO THE RESPONDENT'S CONTENTION (RB 11) THE QUESTIONS PRESENTED BY THE PETITIONER ARE NOT MOOT, ABSTRACT, OR HYPOTHETICAL.

At RB 11 the respondent contends that all of the questions presented by the petitioner are moot, abstract, or hypothetical, and in support of this contention cites two cases in this court with which the petitioner has, in general, no disagreement.

However, contrary to respondent's contention, it is respectfully submitted that the questions presented by the petitioner are not moot, abstract, or hypothetical, but are in fact, very vital and carry with them questions of great importance in relation to patents and concerning the public, as pointed out in the petition, including the abuse of the monopolistic power of a block of patents on one and the same commercial device which results when the patent owner, as here, sues seriatim on different parts of the same commercial device at different times.

The District Judge for the Northern District of Illinois found for petitioner on the authority of this Court expressed in *Hubbell* v. *U. S.*, 171 U. S. 203, 43 L. Ed. 136, 138 (1898):

> ". . .. even if a somewhat different theory or state of facts were developed upon the trial of the second case, the former judgment would not operate the less as an estoppel, since the patentee cannot bring suit against an infringer upon a certain state of facts, and after a dismissal of his action, bring another suit against the same party upon the same state of facts, and recover upon a different theory. The judgment in the first action is a complete estoppel in favor of the successful party in the subsequent action upon the same state of facts."

The Court of Appeals did not consider the import of *Hubbell*, but rather attempted to restrict the terms of the settlement agreement ending the earlier litigation by holding that the reference therein to the patent here in issue was an "extraneous and irrelevant disclosure." There is no justification for such an approach. Patents are not entitled to disparate treatment in the law. When respondent saw fit to release any cause of action based on the "facts pleaded" in the Wisconsin and California litigation, it should have been held to its agreement. As this Court said in a different context in *U. S.* v. *Singer Mfg. Co.*, 374, U. S. 174, 10 L. Ed. 2d 823, 839 (1963):

> "... It is well settled that '[b]eyond the limited monopoly which is granted, the arrangements by which the patent is utilized are subject to the general law,' citing *United States* v. *Masonite Corp.* (316 US 265 at 277), ..."

As stated above, District Judge Hoffman adhered to the holding of the Supreme Court in the *Hubbell* case. The District Court also followed the Second Circuit which had relied upon *Hubbell* in deciding a similar issue. In *Buchanan* v. *General Motors Corp.*, 158 F. 2d 728, 730 (2d Cir. 1947) (involving patent litigation), the Court said:

> "... the usual rule as to the effect of a former judgment in a suit between the same parties on the same cause of action applies here. This is that the judgment is res judicata not only as to all the issues decided but also as to all that could have been. *Snell* v. *J. C. Turner Lumber Co.*, 2 Cir., 285 F. 356. *Plaintiffs may not divide their causes of action and recover by installments.*" [Emphasis supplied.]

The Second Circuit more recently demonstrated the scope of its construction of the doctrine of *res judicata* in *Frost* v. *Bankers Commercial Corp.*, 194 F. 2d 505, 507 (2d Cir. 1952).

The Third Circuit, following the Second and this Court in *U. S.* v. *California and Oregon Land Co.*, 192 U. S. 355, 48 L. Ed. 476 (1904); *Grubb* v. *Public Utilities Commission*, 281 U. S. 470, 74 L. Ed. 972 (1930), has recently decided that a party cannot "prosecute his claim piecemeal by presenting to the Court a part of his grounds and reserving others for another day . . . An individual should not be vexed twice for the same cause. . . ." *Flood* v. *Besser Co.*, 324 F. 2d 590, 591 (3rd Cir. 1963).

Thus the equitable doctrine of estoppel by the judgment effect of the compromise settlement, was relied upon by the District Court and rejected by the Court of Appeals. We think this amounted to the rendition of a judgment on a question involving Federal patent law in conflict with the applicable decisions of this Court and other Courts of Appeal, sufficient to satisfy Rule 19-1(b).

9.

THE CASES CITED AND RELIED UPON BY THE RESPONDENT ARE INAPPLICABLE TO THE SPECIFIC FACTS IN THE PRESENT CASE.

The cases cited by and relied upon by the respondent (RB 5 and 11) are inapplicable to the specific facts in the present case, as may readily be seen by a brief consideration thereof.

McCullough v. *Kammerer Corporation, et al.*, 323 U. S. 327, 65 S. Ct. 297, 89 L. Ed. 273.

This was a patent case in which the petitioner in its answer failed to make any mention of certain patent license restrictions which were not considered in either the trial court or in the Court of Appeals. However, in the present case the petitioner's release defense and the evidence relative thereto were fully considered in the trial court and

were before the Court of Appeals, and all of the questions presented by the petition stem from that defense.

Hence, it is submitted that this case has no application to the specific facts in the present case.

Max Sonzinsky v. *United States of America*, 300 U. S. 506, 57 S. Ct. 554, 81 L. Ed. 772, 776.

This was a tax case in which the petitioner failed to assert in the lower courts certain defenses upon which he relied in this court. However, as pointed out above, all of the questions presented by the petitioner herein stem from the petitioner's release defense which was fully tried in the District Court and was before the Court of Appeals.

Hence, this case likewise has no application to the facts in the present case.

Guy T. Helvering v. *Tex-Penn Oil Company, Etc.*, 300 U. S. 481, 57 S. Ct. 569, 81 L. Ed. 755, 766.

This was also a tax case in which the commissioner's notice of deficiency did not assert before the Board of Tax Appeals or before the Court of Appeals a certain contention relied upon in this court, whereas, as pointed out above, all aspects of the release defense contained in Paragraph 3 of the settlement agreement of March 29, 1962 between the parties (PX 1, DA 124-27) were before the courts below.

Hence, this case is likewise inapplicable to the specific facts in the present case.

David Burnet v. *Commonwealth Improvement Company*, 287 U. S. 415, 418, 53 S. Ct. 198, 77 L. Ed. 399, 402.

This was likewise a tax case in which commissioner's method of reckoning the tax claimed was not considered by

the then Board of Tax Appeals, or by the Court of Appeals, and hence would not be considered by this court.

However, for the reasons pointed out above, this case is also inapplicable to the fact situation presented by the petition.

James Duignan v. *United States, et al.*, 274 U. S. 195, 200, 47 S. Ct. 566, 71 L. Ed. 996, 1000.

This was an action in equity under the National Prohibition Act to cancel a real estate lease. The petitioner raised the question of the equity jurisdiction of the court for the first time on appeal, urging that the respondent's remedy at law was inadequate. This court held that petitioner's objection to the equity jurisdiction of the court, not seasonably taken, was waived. However, the fact situation in the cited case is totally unlike that presented by the petition, and hence the case is here applicable.

General Talking Pictures Corporation v. *Western Electric Company*, 305 U. S. 124, 59 S. Ct. 116, 83 L. Ed. 81.

This was a patent case in which certain questions as to patent license notice restrictions were presented on rehearing after the decision of the Court of Appeals had been upheld by this court which declined to review the new questions presented for the first time on rehearing.

It is submitted that the case is totally inapplicable to the facts in the present case.

W. Yale Smiley v. *Mike Holm*, 285 U. S. 355, 52 S. Ct. 397, 76 L. Ed. 795, 805.

This was a congressional redistricting case in which the court held that certain questions as to the application of redistricting standards were abstract and hence would not be considered by the court.

However, as pointed out above, the questions presented by the petition are in no way abstract but are concrete and vital so that this case is in no way applicable to the case presented by the petition.

CONCLUSION.

For the reasons set forth above, as well as for the reasons set forth in the petition, and which are here reiterated, it is respectfully submitted that the petition for a writ of certiorari is well founded in fact and law and should be granted.

Respectfully submitted,

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